

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF ILLINOIS

Case number (if known) Chapter 11

☐ Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Aiwa Corporation, a Delaware Corporation

2. All other names debtor used in the last 8 years

Include any assumed names, trade names and doing business as names

FKA Hale Devices, Inc.

3. Debtor's federal Employer Identification Number (EIN) 27-5427721

4. Debtor's address

Principal place of business

Mailing address, if different from principal place of business

965 W. Chicago Ave.
Chicago, IL 60642

Number, Street, City, State & ZIP Code

P.O. Box, Number, Street, City, State & ZIP Code

Cook

County

Location of principal assets, if different from principal place of business

Number, Street, City, State & ZIP Code

5. Debtor's website (URL) https://aiwa.co

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify:

Debtor **Aiwa Corporation, a Delaware Corporation**
Name

Case number (if known)

7. Describe debtor's business

A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

B. Check all that apply

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

3651

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

- ☐ Chapter 7
- ☐ Chapter 9

☒ Chapter 11. *Check all that apply:*

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☒ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11.** If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

Debtor **Aiwa Corporation, a Delaware Corporation** Case number (if known) _____
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor? ☒ No ☐ Yes.

List all cases. If more than 1, attach a separate list

Debtor Relationship
District _____ When _____ Case number, if known _____

11. Why is the case filed in this district? Check all that apply:
- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention? ☒ No ☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.
- Why does the property need immediate attention? (Check all that apply.)**
- ☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
What is the hazard? _____
- ☐ It needs to be physically secured or protected from the weather.
- ☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).
- ☐ Other _____
- Where is the property?** _____
Number, Street, City, State & ZIP Code
- Is the property insured?**
- ☐ No
- ☐ Yes. Insurance agency _____
Contact name _____
Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds Check one:
- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors
- | | | |
|---|--|--|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 5001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 | | |

15. Estimated Assets
- | | | |
|--|--|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input checked="" type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
| <input type="checkbox"/> \$50,001 - \$100,000 | <input type="checkbox"/> \$10,000,001 - \$50 million | <input type="checkbox"/> \$1,000,000,001 - \$10 billion |
| <input type="checkbox"/> \$100,001 - \$500,000 | <input type="checkbox"/> \$50,000,001 - \$100 million | <input type="checkbox"/> \$10,000,000,001 - \$50 billion |
| <input type="checkbox"/> \$500,001 - \$1 million | <input type="checkbox"/> \$100,000,001 - \$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities
- | | | |
|---|--|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input checked="" type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
|---|--|--|

Debtor	Aiwa Corporation, a Delaware Corporation	Case number (if known)
Name		
	<input type="checkbox"/> \$50,001 - \$100,000	<input type="checkbox"/> \$10,000,001 - \$50 million
	<input type="checkbox"/> \$100,001 - \$500,000	<input type="checkbox"/> \$50,000,001 - \$100 million
	<input type="checkbox"/> \$500,001 - \$1 million	<input type="checkbox"/> \$100,000,001 - \$500 million
		<input type="checkbox"/> \$1,000,000,001 - \$10 billion
		<input type="checkbox"/> \$10,000,000,001 - \$50 billion
		<input type="checkbox"/> More than \$50 billion

Debtor **Aiwa Corporation, Delaware Corporation**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on

06/22/2021
MM / DD / YYYY

X

Signature of authorized representative of debtor

Title

CEO

Joseph J. Born

Printed name

18. Signature of attorney

X

Signature of attorney for debtor

Date

6/22/2021
MM / DD / YYYY

Jeremy C. Kleinman

Printed name

FrankGecker LLP

Firm name

**1327 W. Washington Blvd., Ste. 5G-H
Chicago, IL 60607**

Number, Street, City, State & ZIP Code

Contact phone **312-276-1400**

Email address **jkleinman@fgllp.com**

6270080 IL

Bar number and State

Fill in this information to identify the case:

Debtor name **Aiwa Corporation, a Delaware Corporation**
 United States Bankruptcy Court for the: **NORTHERN DISTRICT OF ILLINOIS**
 Case number (if known): _____

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Ace & Acme Consulting ATTN: Bruno Marchevsky 2720 Harrison St. Evanston, IL 60201	Bruno Marchevsky bruno@marchevsky.org	Engineering Services				\$4,198.96
Channel Technology Limited ATTN: Thomas Li, Unit A,11/F Seabright Pl. 9-23 Shell St. North Point HONG KONG	Thomas Li thomasli@channel-hk.com	Quality Control				\$5,950.00
Citibank ATTN: Dave Thakkar 1825 Lake Cook Road Northbrook, IL 60062	Dave Thakkar dave.thakkar@citi.com	Credit card purchases				\$10,630.50
Foreshot Industrial Corporation ATTN: Kevin Huang No. 7-1, Minquan Rd., Dayuan Dist. Taoyuan City 33759, TAIWAN (R.O.C)	Kevin Huang kevin_huang@foreshot.com.tw	Trade Debt				\$76,903.00
Gide Loyrette Nouel A.A.R.P.I. ATTN: Dequire-Portier Raphaelle 15 rue de Laborde - 75008 Paris FRANCE	Dequire-Portier Raphaelle dequire-portier@gide.com	Legal Services				\$13,431.66

Debtor **Aiwa Corporation, a Delaware Corporation**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Griffin Int'l Companies, Inc. ATTN: Paul Franzich 5850 Opus Parkway, Ste. 114 Minnetonka, MN 55343	pfrantzich@citiesms.com	Marketing Creative Services				\$44,970.17
Loop Capital Markets ATTN: Trent Schwartz 111 W. Jackson Blvd., Ste. 1901 Chicago, IL 60604	Trent Schwartz trent.schwartz@loopcapital.com 312-913-4900	Investment Banking				\$9,500.00
Masuda Funai Eifert & Mitchell Ltd. ATTN: David Stein 203 N. LaSalle St., Ste. 2500 Chicago, IL 60601-1262	David Stein dstein@masudafunai.com 312-245-7467	Legal Services				\$163,844.15
N. Morgan Consulting LLC ATTN: Nick Morgan 4836 N. Woodburn St. Whitefish Bay, WI 53217	Nick Morgan nmorganconsulting@gmail.com	Marketing Services				\$14,087.58
Partridge Partners P.C. ATTN: Mark Partridge 321 N. Clark St., Ste. 720 Chicago, IL 60654	Mark Partridge mark@partridgepartnerspc.com 312-634-9500	Legal Services				\$19,087.00
PGH Industries LTD ATTN: Paul Hersko 166 W. Washington, Ste. 730 Chicago, IL 60601	Paul Hersko paul@pghindustries.com	Marketing Services				\$6,500.00
Schjødt, ATTN: Thomas Hagen Ruseløkkveien 14 P.O. Box 2444 Solli NO-0201 Oslo NORWAY	ATTN: Thomas Hagen thomas.hagen@schjodt.com	Legal Services				\$39,733.68

Debtor **Aiwa Corporation, a Delaware Corporation**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Schönherr Rechtsanwälte GmbH ATTN: Michael Woller A-1010 Vienna, Schottenring 19 AUSTRIA	Michael Woller m.woller@schoenherr.eu	Legal Services				\$8,827.97
SKW Schwarz Rechtsanwälte GmbH ATTN: Margret Knitter Knitter Postfach 20 17 42, Munich 88017 GERMANY	Margret Knitter m.knitter@skwschwarz.de 49(0)89 2 86 40 - 300	Legal Services				\$11,841.94
Tomkins & Co., ATTN: Simon Gray 5 Dartmouth Road Dublin 6, D06 F9C7 IRELAND	Simon Gray sgray@tomkins.com	Legal Services				\$22,151.93
Tricon Logistics ATTN: Terry Nashif 4450 W. Walnut, Ste. 100 Irving, TX 75038	ATTN: Terry Nashif terry.nashif@visiblescm.com	Logistics				\$124,447.23
Turn-Key Fulfillment, LLC ATTN: Graigg Condifff 1025 W. Innovation Dr. Kearney, MO 64060	ATTN: Graigg Condifff gc@turn-keyfulfillment.com	Logistics				\$4,807.51
U.S. Small Business Administration 721 19th St. Denver, CO 80202		EIDL Loan				\$156,000.00
Via Licensing Corporation ATTN: Joe Campos 1275 Market Street San Francisco, CA 94103	Joe Campos joe.c@vialicensing.com	Patent License				\$23,062.96
Wal-Mart Stores, Inc. c/o Bank of America PO Box 500787 Saint Louis, MO 63150-0787	Meher Wajid meher.wajid@walmart.com	Marketing Chargeback				\$15,521.09

**United States Bankruptcy Court
Northern District of Illinois**

In re **Aiwa Corporation, a Delaware Corporation**

Debtor(s)

Case No.

Chapter

11

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for **Aiwa Corporation, a Delaware Corporation** in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

Fairlane I
4849 Greenville Ave., Ste. 1480
Dallas, TX 75206

Monster LLC
Attn: Kenny Brody c/o DRW
540 W. Madison, Ste. 2500
Chicago, IL 60661

☐ None [*Check if applicable*]

June 22, 2021

Date

Jeremy C. Kleinman

Signature of Attorney or Litigant

Counsel for **Aiwa Corporation, a Delaware Corporation**

FrankGecker LLP

1327 W. Washington Blvd., Ste. 5G-H

Chicago, IL 60607

312-276-1400 Fax:312-276-0035

jkleinman@fgllp.com

Aiwa Corporation

Balance Sheet

As of May 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Chase Checking	34,499.20
1005 Chase Savings	0.00
1010 CitiBank	0.00
1015 Wintrust	18,013.29
1020 Paypal	4,135.59
1025 PayPal Bank (CAD)	0.00
1030 WorldFirst- EU	0.00
1035 WorldFirst- UK	0.00
1040 WorldFirst - AU	0.00
1045 Dominion Bank	500.00
1072 Bill.com Money Out Clearing	421.99
1080 Shopify Holding	12,197.38
1085 Affirm Holding	1,785.40
1090 Amazon Holding	102.66
Total Bank Accounts	\$71,655.51
Accounts Receivable	
1200 Accounts Receivable (A/R)	260,632.63
1201 Accounts Receivable (A/R) - CAD	0.00
1202 Accounts Receivable (A/R) - EUR	11,937.70
1203 Accounts Receivable (A/R) - GBP	7,228.00
1204 Accounts Receivable (A/R) - AUD	1,410.80
Total Accounts Receivable	\$281,209.13

Aiwa Corporation

Balance Sheet

As of May 31, 2021

	TOTAL
Other Current Assets	
1100 Undeposited Funds	0.00
1210 AR-Amazon Retainage	0.00
1310 pre-paid services	-574.35
1320 Due from shareholder	0.00
1340 Prepaid Insurance	5,104.19
1350 Royalty Advance	0.00
1400 Inventory Asset	159,258.94
1405 Prepayment on Inventory	117,074.68
1410 Returned Merchandise	0.00
Total 1400 Inventory Asset	276,333.62
1800 Uncategorized Asset	0.00
Total Other Current Assets	\$280,863.46
Total Current Assets	\$633,728.10
Fixed Assets	
1530 Tooling	183,554.16
1533 Prepayment on Tooling	0.00
1540 Product Certifications	0.00
1600 Accumulated Depreciation	-184,182.37
Total Fixed Assets	\$ -628.21
Other Assets	
1099 FX Pass Thru for bank transfers	0.00
1810 Deposits	0.00
1820 Loan Costs	94,507.00
1825 Accumulated Amortization - Loan Costs	-66,886.89
1850 Trademarks and Patents	1,250,000.00
1855 Accumulated Amortization - Trademarks	-145,833.00
Total Other Assets	\$1,131,787.11
TOTAL ASSETS	\$1,764,887.00

Aiwa Corporation

Balance Sheet
As of May 31, 2021

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	606,060.58
2002 Accounts Payable (A/P) - EUR	37,061.22
2003 Accounts Payable (A/P) - CHF	4,151.18
2004 Accounts Payable (A/P) - NOK	39,733.67
2005 Accounts Payable (A/P) - DKK	5,336.40
2006 Accounts Payable (A/P) - GBP	-2,350.65
Total Accounts Payable	\$689,992.40
Credit Cards	
2010 Capital One	153.00
2015 Citibank Credit Card #5825	0.00
2020 Citibank x1810	8,982.38
2030 Clearbanc	-130.17
2062 JoeBorn Expense Account	0.00
Total Credit Cards	\$9,005.21
Other Current Liabilities	
2050 Accrued Expenses	1,865.03
2070 Customer Deposits	0.00
2090 Accrued Aiwa Royalty	0.00
2100 Accrued Payroll	14,500.00
2120 Deferred Revenue	75.00
2130 Sales tax payable	-421.48
2131 Department of Finance Payable	0.00
2132 Georgia Dept of Revenue Payable	0.00
2133 Illinois Department of Revenue Payable	1,941.88
2200 pre-paid royalties	0.00
2250 Tooling Amortization Liability	0.00
2290 Current Portion - N/P	0.00
2300 Loan Payable	0.00
2301 Able Lending	0.00
2302 Amazon Lending	0.00
2303 Joe Born Loan	0.00
2304 Kickfurther Loan	0.00
2305 Marc Hamid Loan	0.00
2346 Alan Cook Loan	100,000.00
2350 Lucille Born Loan	25,000.00
2351 Mike Phillips Loan	25,000.00

Aiwa Corporation

Balance Sheet

As of May 31, 2021

	TOTAL
Total 2300 Loan Payable	150,000.00
2306 Kickstarter Advance	0.00
2307 Tom Waldron Loan	0.00
2308 PN-1 - David Phillips	0.00
2309 Interest on PN1	0.00
Total 2308 PN-1 - David Phillips	0.00
2310 PN-2 - Joe Born	0.00
2311 Interest on PN2	0.00
Total 2310 PN-2 - Joe Born	0.00
Out Of Scope Agency Payable	7,836.04
Total Other Current Liabilities	\$175,796.47
Total Current Liabilities	\$874,794.08
Long-Term Liabilities	
2110 Deferred Executive Comp.	833,307.15
2150 Accrued Interest on Notes	262,283.04
2312 PN-3 - Dullyen Anvils, LLC	0.00
2313 PN-4 - Greg Rudin	0.00
2314 PN-5 - Lark Partners LLC	0.00
2315 PN-6 - Lark Partners LLC	0.00
2316 PN-7 - Joe Born	10,000.00
2317 PN-8 - David Phillips	0.00
2318 PN-9 - Keith Schacht Living Trust	0.00
2319 PN-11 - Dullyen Anvils LLC	0.00
2320 PN-12 - Monster LLC	0.00
2321 PN-13 - Francis Wisniewski	0.00
2322 PN-14 - Kent Spellman	0.00
2323 PN-15 - Dullyen Anvils, LLC	0.00
2324 PN-17 - Monster LLC	0.00
2325 PN-18 - Sundial Valve	0.00
2326 PN-19 - Sundial Valve LLC	10,000.00
2327 PN-20 Monster I LLC	0.00
2328 PN-21 - Luke Shepard	0.00
2329 PN-22 - Delyn Anvils LLC	0.00
2330 PN-23 -Dullyen Anvils, LLC	0.00
2331 PN-24 - Dullyen Anvils	0.00
2332 PN-25 - David Phillips	0.00
2333 PN-26 StartupRunner	0.00
2334 PN-27-Colin Anderson	0.00
2335 Fairlane II	1,022,843.00
2336 M. Thomann Note Payable	500,000.00
2337 M. Thomann Convertible Note	700,000.00
2338 Convertible Promissory Note - A. Farkas	15,000.00

Aiwa Corporation

Balance Sheet

As of May 31, 2021

	TOTAL
2339 L Shepard Convertible Note	100,000.00
2340 J. Benavides Convertible Note Payable	25,000.00
2341 Williams Family Convertible Note Payable	24,000.00
2342 Duly Family Trust Convertible Note Payable	75,000.00
2343 Gerst Convertible Note Payable	25,000.00
2344 Klaas de Vos Convertible Promissory Note	77,823.00
2345 AFrank Convertible Note	50,000.00
2347 Fairlane III	100,000.00
2348 Fairlane IV	250,000.00
2349 Fairlane V	100,000.00
2355 Fairlane VI	200,000.00
2360 EIDL	156,900.00
Fairlane I	406,301.00
SBA PPP	0.00
Total Long-Term Liabilities	\$4,943,457.19
Total Liabilities	\$5,818,251.27
Equity	
3000 Opening Balance Equity	0.00
3025 Common Stock	704,025.00
3050 Preferred Stock	2,190,567.00
3999 Retained Earnings	-6,772,231.10
Net Income	-175,725.17
Total Equity	\$ -4,053,364.27
TOTAL LIABILITIES AND EQUITY	\$1,764,887.00

Aiwa Corporation

Statement of Cash Flows

January - May, 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-175,725.17
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	20,889.35
Accounts Receivable (A/R) - AUD	68.28
Inventory Asset	125,685.42
Inventory Asset:Prepayment on Inventory	47,911.00
Prepaid Insurance	732.12
Accumulated Depreciation	1,583.33
Accumulated Amortization - Loan Costs	8,868.81
Accounts Payable	-199,999.05
Accounts Payable (A/P) - EUR	-1,988.14
Capital One	-8,869.72
Citibank Credit Card #5825	-56.48
Citibank x1810	-70.12
Clearbanc	-1,226.26
Accrued Payroll	-6,033.80
Illinois Department of Revenue Payable	543.00
Out Of Scope Agency Payable	2,788.48
Sales tax payable	-421.48
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-9,595.26
Net cash provided by operating activities	\$ -185,320.43
FINANCING ACTIVITIES	
Accrued Interest on Notes	37,590.97
Deferred Executive Comp.	47,166.68
Fairlane VI	200,000.00
SBA PPP	-85,000.00
Net cash provided by financing activities	\$199,757.65
NET CASH INCREASE FOR PERIOD	\$14,437.22
Cash at beginning of period	57,218.29
CASH AT END OF PERIOD	\$71,655.51

Aiwa Corporation

Profit and Loss

January - May, 2021

	TOTAL
Income	
4000 Sales of Product Income	717,298.88
4100 Shipping Income	3,103.58
4200 Services	-255.95
4350 Amazon Reimbursements	19,055.57
4800 Discounts given	-2,814.96
4810 Discounts/Refunds Given	-3,442.01
Total Income	\$732,945.11
Cost of Goods Sold	
5000 Cost of Goods Sold	279,330.97
5020 Commissions & Fees	319.60
5022 Selling Fees	43,500.49
5023 Other Transaction Fees	7.22
5024 Other	1,134.20
5025 FBA Storage Fees	5,916.50
5026 FBA Fees - Other	23,593.38
Total 5020 Commissions & Fees	74,471.39
5040 Returned Goods	73,253.23
5050 Shipping and Freight	34,059.68
5056 Outbound Shipping/Freight	7,773.03
5057 Fulfillment Fees	33,297.91
Total 5050 Shipping and Freight	75,130.62
Total 5000 Cost of Goods Sold	502,186.21
5015 Commissions & Fees - Other	2,861.87
5055 Customs & Duties	15,611.65
5200 Merchant Account Fee	4,758.76
Total Cost of Goods Sold	\$525,418.49
GROSS PROFIT	\$207,526.62
Expenses	
6000 Payroll	
6005 Salaries & Wages	116,982.33
6015 Contract Labor	11,354.55
6025 Employer Taxes	7,325.45
6090 Payroll Processing Fee	324.95
Total 6000 Payroll	135,987.28
6100 Advertising	93,847.61
5030 Rebates	1,735.88
Total 6100 Advertising	95,583.49
6200 Rent or Lease	6,100.00
6310 internet hosting	733.39

Aiwa Corporation

Profit and Loss

January - May, 2021

	TOTAL
6320 Non cogs shipping & postage	1,126.42
6400 Legal & Professional Fees	57,432.40
6401 Legal Expense	29,456.54
6404 Trademark	3,911.23
6917 Trademark - VAT	-725.07
Total 6404 Trademark	3,186.16
6405 virtual assistant	4,680.00
Total 6400 Legal & Professional Fees	94,755.10
6415 Consulting	29,500.00
6450 R&D	49.00
6454 R&D Professional Services	26,400.00
Total 6450 R&D	26,449.00
6480 Bank Charges	2,405.91
6500 Insurance	3,146.40
6600 Telephone/Internet	1,417.49
6700 Dues & Subscriptions	8,425.99
6710 License Expense	2,665.92
6800 Travel	1,009.25
6805 Meals and Entertainment	11.18
6910 Taxes & Licenses	387.57
6915 Sales Tax	1,514.60
Total 6910 Taxes & Licenses	1,902.17
Total Expenses	\$411,218.99
NET OPERATING INCOME	\$ -203,692.37
Other Income	
8010 Other Income	85,000.00
Total Other Income	\$85,000.00
Other Expenses	
Unrealized Gain or Loss	0.00
7000 Depreciation	1,583.33
7010 Amortization Expense - Loan Costs	8,868.81
8100 Interest expense	40,596.16
8101 Accrued Interest Expense	5,917.81
8200 Exchange Gain or Loss	66.69
Total Other Expenses	\$57,032.80
NET OTHER INCOME	\$27,967.20
NET INCOME	\$ -175,725.17

BEAIRD HARRIS & CO. P.C.
12221 MERIT DR STE 750
DALLAS, TX 75251-3201
(972) 503-1040

September 7, 2020

AIWA CORPORATION
965 W CHICAGO AVENUE
CHICAGO, IL 60642

Dear Client:

Enclosed for your review:

Form 1120	2019 U.S. Corporation Income Tax Return
Form IL-1120	2019 IL Corp Income and Replacement Tax Return

Each tax return or form listed above should be filed in accordance with the enclosed filing instructions.

Please be sure to call if you have any questions.

Sincerely,

BEAIRD HARRIS & CO. P.C.

2019

FEDERAL FILING INSTRUCTIONS

AIWA CORPORATION

27-5427721

ELECTRONICALLY FILED:

FORM 1120 - 2019 U.S. CORPORATION INCOME TAX RETURN

THE ABOVE TAX RETURN WILL BE ELECTRONICALLY FILED WITH THE INTERNAL
REVENUE SERVICE UPON RECEIPT OF A SIGNED FORM 8879C - IRS E-FILE
SIGNATURE AUTHORIZATION.

PAYMENT:

NO PAYMENT IS REQUIRED.

Form **8879-C****IRS e-file Signature Authorization for Form 1120**

OMB No. 1545-0123

Department of the Treasury
Internal Revenue ServiceFor calendar year **2019**, or tax year beginning _____, 2019, ending _____, _____**2019**▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879C for the latest information.**

Name of corporation

AIWA CORPORATION

Employer identification number

27-5427721

Part I Tax Return Information (Whole dollars only)

1	Total income (Form 1120, line 11)	1	878,511.
2	Taxable income (Form 1120, line 30)	2	-1,021,386.
3	Total tax (Form 1120, line 31)	3	
4	Amount owed (Form 1120, line 35)	4	
5	Overpayment (Form 1120, line 36)	5	

Part II Declaration and Signature Authorization of Officer. Be sure to get a copy of the corporation's return.

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2019 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize BEAIRD HARRIS & CO. P.C. to enter my PIN 84529 as my signature
ERO firm name do not enter all zeros
 on the corporation's 2019 electronically filed income tax return.

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2019 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ _____ Title ▶ PRESIDENT

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 75930012377
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ RON J. SKALBERG, CPA Date ▶ _____

ERO Must Retain This Form – See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2019)

Form **7004**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service**Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns**► **File a separate application for each return.**► **Go to www.irs.gov/Form7004 for instructions and the latest information.**

OMB No. 1545-0233

**Print
or
Type**

Name

AIWA CORPORATION

Identifying number

27-5427721

Number, street, and room or suite no. (If P.O. box, see instructions.)

965 W CHICAGO AVENUE

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

CHICAGO, IL 60642

Note: File request for extension by the due date of the return. See instructions before completing this form.**Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns.** See instructions.

1 Enter the form code for the return listed below that this application is for 12

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ☐5 a The application is for calendar year 20 19, or tax year beginning _____, 20 __, and ending _____, 20 __b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions – attach explanation.)

6 Tentative total tax 6 0.

7 Total payments and credits. See instructions 7 0.

8 **Balance due.** Subtract line 7 from line 6. See instructions 8 0.**BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.**

CPCZ0701L 08/09/18

Form **7004** (Rev. 12-2018)

Form 1120 Department of the Treasury Internal Revenue Service	U.S. Corporation Income Tax Return			OMB No. 1545-0123
For calendar year 2019 or tax year beginning _____, 2019, ending _____,				2019
▶ Go to www.irs.gov/Form1120 for instructions and the latest information.				
A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instrs.) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>		TYPE OR PRINT	AIWA CORPORATION 965 W CHICAGO AVENUE CHICAGO, IL 60642	
		B Employer identification number 27-5427721		
		C Date incorporated 2/22/2011		
		D Total assets (see instructions) \$ 2,297,424.		
		E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change		
INCOME	1a Gross receipts or sales		1a	4,193,681.
	b Returns and allowances		1b	141,369.
	c Balance. Subtract line 1b from line 1a		1c	4,052,312.
	2 Cost of goods sold (attach Form 1125-A)		2	3,177,900.
	3 Gross profit. Subtract line 2 from line 1c		3	874,412.
	4 Dividends and inclusions (Schedule C, line 23)		4	
	5 Interest		5	
	6 Gross rents		6	
	7 Gross royalties		7	
	8 Capital gain net income (attach Schedule D (Form 1120))		8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	
10 Other income (see instructions — attach statement) SEE STATEMENT 1		10	4,099.	
11 Total income. Add lines 3 through 10		11	878,511.	
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (see instructions — attach Form 1125-E)		12	
	13 Salaries and wages (less employment credits)		13	334,221.
	14 Repairs and maintenance		14	12.
	15 Bad debts		15	68,807.
	16 Rents		16	49,214.
	17 Taxes and licenses SEE STATEMENT 2		17	67,951.
	18 Interest (see instructions)		18	294,885.
	19 Charitable contributions		19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		20	5,591.
	21 Depletion		21	
	22 Advertising		22	261,446.
	23 Pension, profit-sharing, etc., plans		23	
	24 Employee benefit programs		24	
	25 Reserved for future use		25	
	26 Other deductions (attach statement) SEE STATEMENT 3		26	817,770.
	27 Total deductions. Add lines 12 through 26		27	1,899,897.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	-1,021,386.
29a Net operating loss deduction (see instructions) SEE ST. 4		29a	0.	
b Special deductions (Schedule C, line 24)		29b		
c Add lines 29a and 29b		29c		
CREDITS, REFUNDABLE PMTS	30 Taxable income. Subtract line 29c from line 28. See instructions		30	-1,021,386.
	31 Total tax (Schedule J, Part I, line 11)		31	0.
	32 2019 net 965 tax liability paid (Schedule J, Part II, line 12)		32	
	33 Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23)		33	0.
	34 Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>		34	
	35 Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed		35	0.
	36 Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid		36	
	37 Enter amount from line 36 you want: Credited to 2020 estimated tax ▶ Refunded ▶		37	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
Sign Here Signature of officer _____ Date _____		Title PRESIDENT		May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Print/Type preparer's name RON J. SKALBERG, CPA		Preparer's signature RON J. SKALBERG, CPA		Date 9/07/20
Firm's name ▶ BEAIRD HARRIS & CO. P.C.		Check <input type="checkbox"/> if self-employed		PTIN P00851385
Firm's address ▶ 12221 MERIT DR STE 750 DALLAS, TX 75251-3201		Firm's EIN ▶ 75-2175951		Phone no. (972) 503-1040

Form 1120 (2019) AIWA CORPORATION

27-5427721

Page 2

Schedule C	Dividends, Inclusions, and Special Deductions (see instructions)	(a) Dividends and inclusions	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		50	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		65	
3	Dividends on certain debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		23.3	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		26.7	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		50	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		65	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Subtotal. Add lines 1 through 8. See instructions for limitations.		see instructions	
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)		100	
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)			
15	Section 965(a) inclusion		see instructions	
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)		100	
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)			
c	Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)			
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)			
18	Gross-up for foreign taxes deemed paid			
19	IC-DISC and former DISC dividends not included on line 1, 2, or 3			
20	Other dividends			
21	Deduction for dividends paid on certain preferred stock of public utilities			
22	Section 250 deduction (attach Form 8993)			
23	Total dividends and inclusions. Add column (a), lines 9 through 20. Enter here and on page 1, line 4.			
24	Total special deductions. Add column (c) lines 9 through 22. Enter here and on page 1, line 29b			

Form 1120 (2019)

Form 1120 (2019) AIWA CORPORATION

27-5427721

Page 3

Schedule J Tax Computation and Payment (see instructions)**Part I – Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See instructions	<input type="checkbox"/>	
2	Income tax. See instructions		0.
3	Base erosion minimum tax amount (attach Form 8991).		
4	Add lines 2 and 3.		0.
5a	Foreign tax credit (attach Form 1118).	5a	
b	Credit from Form 8834 (see instructions).	5b	
c	General business credit (attach Form 3800).	5c	0.
d	Credit for prior year minimum tax (attach Form 8827).	5d	
e	Bond credits from Form 8912.	5e	
6	Total credits. Add lines 5a through 5e.	6	
7	Subtract line 6 from line 4.	7	
8	Personal holding company tax (attach Schedule PH (Form 1120)).	8	
9a	Recapture of investment credit (attach Form 4255).	9a	
b	Recapture of low-income housing credit (attach Form 8611).	9b	
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697).	9c	
d	Interest due under the look-back method – income forecast method (attach Form 8866).	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902).	9e	
f	Other (see instructions – attach statement).	9f	
10	Total. Add lines 9a through 9f.	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31.	11	0.

Part II – Section 965 Payments (see instructions)

12	2019 net 965 tax liability paid from Form 965-B, Part II, column (k), line 3. Enter here and on page 1, line 32.	12	
-----------	--	-----------	--

Part III – Payments and Refundable Credits, and Section 965 Net Tax Liability

13	2018 overpayment credited to 2019.	13	
14	2019 estimated tax payments.	14	
15	2019 refund applied for on Form 4466.	15	
16	Combine lines 13, 14, and 15.	16	0.
17	Tax deposited with Form 7004.	17	
18	Withholding (see instructions).	18	
19	Total payments. Add lines 16, 17, and 18.	19	0.
20	Refundable credits from:		
a	Form 2439.	20 a	
b	Form 4136.	20 b	
c	Form 8827, line 5c.	20 c	
d	Other (attach statement – see instructions).	20 d	
21	Total credits. Add lines 20a through 20d.	21	
22	2019 net 965 tax liability from Form 965-B, Part I, column (d), line 3. See instructions.	22	
23	Total payments, credits, and section 965 net tax liability. Add lines 19, 21, and 22. Enter here and on page 1, line 33.	23	0.

Form **1120** (2019)

Schedule K Other Information (see instructions)				Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____					
2 See the instructions and enter the:					
a Business activity code no. ▶ 334310					
b Business activity ▶ MANUFACTURING					
c Product or service ▶ AUDIO EQUIPMENT					
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____					X
4 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)					X
b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)				X	
5 At the end of the tax year, did the corporation:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.					X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.					X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.					X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned ▶ _____ and (b) Owner's country ▶ _____ (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____					X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.					
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ NONE					
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____					
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ 4,070,386.					

Schedule K Other Information (continued from page 4)

	Yes	No
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ \$		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		X
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2019 that would require it to file Form(s) 1099?	X	
b If "Yes," did or will the corporation file required Form(s) 1099?	X	
16 During this tax year, did the corporation have an 80%-or-more change in ownership, including a change due to redemption of its own stock?		X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20 Is the corporation operating on a cooperative basis?		X
21 During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		X
If "Yes," enter the total amount of the disallowed deductions ▶ \$		
22 Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years?		X
(See sections 59A(e)(2) and (3)).		
If "Yes," complete and attach Form 8991.		
23 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24 Does the corporation satisfy one or more of the following? See instructions.		X
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.		
c The corporation is a tax shelter and the corporation has business interest expense.		
If "Yes," to any, complete and attach Form 8990.		
25 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
If "Yes," enter amount from Form 8996, line 14. ▶ \$		

Form **1120** (2019)

Form 1120 (2019) AIWA CORPORATION

27-5427721

Page 6

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		184,769.		230,516.
2a	Trade notes and accounts receivable	155,343.		301,875.	
b	Less allowance for bad debts		155,343.		301,875.
3	Inventories		883,429.		604,747.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) SEE ST. 5		8,849.		3,831.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	171,990.		176,990.	
b	Less accumulated depreciation	170,808.	1,182.	176,399.	591.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	1,312,410.		1,333,356.	
b	Less accumulated amortization	75,366.	1,237,044.	177,492.	1,155,864.
14	Other assets (attach statement) SEE ST. 6		4,350.		
15	Total assets		2,474,966.		2,297,424.
Liabilities and Shareholders' Equity					
16	Accounts payable		592,407.		754,227.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach stmt) SEE ST. 7		267,434.		366,427.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		2,991,169.		3,684,870.
21	Other liabilities (attach statement)				
22	Capital stock: a Preferred stock	2,190,567.		2,190,567.	
	b Common stock	1,144,025.	3,334,592.	1,144,025.	3,334,592.
23	Additional paid-in capital				
24	Retained earnings — Approp (att stmt)				
25	Retained earnings — Unappropriated		-4,710,636.		-5,842,692.
26	Adjmt to shareholders' equity (att stmt)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		2,474,966.		2,297,424.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	-1,132,056.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains			-----	
4	Income subject to tax not recorded on books this year (itemize):			-----	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation		a	Depreciation	
b	Charitable contributions		b	Charitable contribns	
c	Travel & entertainment	932.		-----	
	STATEMENT 8	109,738.		-----	
		110,670.		-----	
6	Add lines 1 through 5	-1,021,386.	9	Add lines 7 and 8	0.
			10	Income (page 1, line 28) — line 6 less line 9	-1,021,386.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-4,710,636.	5	Distributions	a Cash
2	Net income (loss) per books	-1,132,056.		b Stock	c Property
3	Other increases (itemize):		6	Other decreases (itemize):	

			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-5,842,692.	8	Balance at end of year (line 4 less line 7)	-5,842,692.

Form 1120 (2019)

Form **1125-A**

(Rev. November 2018)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

- **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
► **Go to www.irs.gov/Form1125A for the latest information.**

OMB No. 1545-0123

Name AIWA CORPORATION		Employer identification number 27-5427721	
1	Inventory at beginning of year	1	883,429.
2	Purchases	2	1,660,840.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) SEE STATEMENT 9	5	1,238,378.
6	Total. Add lines 1 through 5	6	3,782,647.
7	Inventory at end of year	7	604,747.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions.	8	3,177,900.
9 a Check all methods used for valuing closing inventory:			
(i) <input checked="" type="checkbox"/> Cost			
(ii) <input type="checkbox"/> Lower of cost or market			
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ►			
b Check if there was a writedown of subnormal goods ► <input type="checkbox"/>			
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ► <input type="checkbox"/>			
d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. 9d			
e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

BAA For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 11-2018)

Form **3800****General Business Credit**

OMB No. 1545-0895

Department of the Treasury
Internal Revenue Service (99)

- Go to www.irs.gov/Form3800 for instructions and the latest information.
► You must attach all pages of Form 3800, pages 1, 2, and 3, to your tax return.

2019Attachment
Sequence No. **22**

Name(s) shown on return

Identifying number

AIWA CORPORATION

27-5427721

Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)

(See instructions and complete Part(s) III before Parts I and II.)

1	General business credit from line 2 of all Parts III with box A checked	1	
2	Passive activity credits from line 2 of all Parts III with box B checked. 2		
3	Enter the applicable passive activity credits allowed for 2019. See instructions.	3	
4	Carryforward of general business credit to 2019. Enter the amount from line 2 of Part III with box C checked. See instructions for statement to attach.	4	
5	Carryback of general business credit from 2020. Enter the amount from line 2 of Part III with box D checked. See instructions	5	
6	Add lines 1, 3, 4, and 5	6	

Part II Allowable Credit

7	Regular tax before credits:		
	<ul style="list-style-type: none"> Individuals. Enter the sum of the amounts from Form 1040 or 1040-SR, line 12a, and Schedule 2 (Form 1040 or 1040-SR), line 2, or the sum of the amounts from Form 1040-NR, lines 42 and 44. Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return. Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return. 	7	0.
8	Alternative minimum tax:		
	<ul style="list-style-type: none"> Individuals. Enter the amount from Form 6251, line 11 Corporations. Enter -0- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54. 	8	0.
9	Add lines 7 and 8	9	0.
10a	Foreign tax credit. 10a		
b	Certain allowable credits (see instructions) 10b		
c	Add lines 10a and 10b	10c	
11	Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16.	11	0.
12	Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	0.
13	Enter 25% (0.25) of the excess, if any, of line 12 over \$25,000. See instructions.	13	
14	Tentative minimum tax:		
	<ul style="list-style-type: none"> Individuals. Enter the amount from Form 6251, line 9 Corporations. Enter -0- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 52. 	14	0.
15	Enter the greater of line 13 or line 14	15	
16	Subtract line 15 from line 11. If zero or less, enter -0-	16	0.
17	Enter the smaller of line 6 or line 16.	17	0.
	C corporations: See the line 17 instructions if there has been an ownership change, acquisition, or reorganization.		

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **3800** (2019)

Part II Allowable Credit (continued)**Note:** If you are not required to report any amounts on line 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	Multiply line 14 by 75% (0.75). See instructions.	18	
19	Enter the greater of line 13 or line 18.	19	
20	Subtract line 19 from line 11. If zero or less, enter -0-.	20	
21	Subtract line 17 from line 20. If zero or less, enter -0-.	21	
22	Combine the amounts from line 3 of all Parts III with box A, C, or D checked.	22	
23	Passive activity credit from line 3 of all Parts III with box B checked.	23	
24	Enter the applicable passive activity credit allowed for 2019. See instructions.	24	
25	Add lines 22 and 24.	25	
26	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25.	26	0.
27	Subtract line 13 from line 11. If zero or less, enter -0-.	27	0.
28	Add lines 17 and 26.	28	
29	Subtract line 28 from line 27. If zero or less, enter -0-.	29	0.
30	Enter the general business credit from line 5 of all Parts III with box A checked.	30	109,738.
31	Reserved.	31	
32	Passive activity credits from line 5 of all Parts III with box B checked.	32	
33	Enter the applicable passive activity credits allowed for 2019. See instructions.	33	
34	Carryforward of business credit to 2019. Enter the amount from line 5 of Part III with box C checked and line 6 of Part III with box G checked. See instructions for statement to attach.	34	130,196.
35	Carryback of business credit from 2020. Enter the amount from line 5 of Part III with box D checked. See instructions.	35	
36	Add lines 30, 33, 34, and 35.	36	239,934.
37	Enter the smaller of line 29 or line 36.	37	
38	Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return. <ul style="list-style-type: none"> • Individuals. Schedule 3 (Form 1040 or 1040-SR), line 6, or Form 1040-NR, line 51 • Corporations. Form 1120, Schedule J, Part I, line 5c • Estates and trusts. Form 1041, Schedule G, line 2b. 	38	0.

Form 3800 (2019)

Name(s) shown on return

Identifying number

AIWA CORPORATION

27-5427721

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. See instructions.

- A** ☒ General Business Credit From a Non-Passive Activity **E** ☐ Reserved
- B** ☐ General Business Credit From a Passive Activity **F** ☐ Reserved
- C** ☐ General Business Credit Carryforwards **G** ☐ Eligible Small Business Credit Carryforwards
- D** ☐ General Business Credit Carrybacks **H** ☐ Reserved

I If you are filing more than one Part III with box A or B checked, complete and attach first an additional Part III combining amounts from all Parts III with box A or B checked. Check here if this is the consolidated Part III. ☐

(a) Description of credit		(b) If claiming the credit from a pass-through entity, enter the EIN	(c) Enter the appropriate amount
Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.			
1 a	Investment (Form 3468, Part II only) (attach Form 3468)	1 a	
b	Reserved	1 b	
c	Increasing research activities (Form 6765)	1 c	
d	Low-income housing (Form 8586, Part I only)	1 d	
e	Disabled access (Form 8826) (see instructions for limitation)	1 e	
f	Renewable electricity, refined coal, and Indian coal production (Form 8835)	1 f	
g	Indian employment (Form 8845)	1 g	
h	Orphan drug (Form 8820)	1 h	
i	New markets (Form 8874)	1 i	
j	Small employer pension plan startup costs (Form 8881) (see instructions for limitation)	1 j	
k	Employer-provided child care facilities and services (Form 8882) (see instructions for limitation)	1 k	
l	Biodiesel and renewable diesel fuels (attach Form 8864)	1 l	
m	Low sulfur diesel fuel production (Form 8896)	1 m	
n	Distilled spirits (Form 8906)	1 n	
o	Nonconventional source fuel (carryforward only)	1 o	
p	Energy efficient home (Form 8908)	1 p	
q	Energy efficient appliance (carryforward only)	1 q	
r	Alternative motor vehicle (Form 8910)	1 r	
s	Alternative fuel vehicle refueling property (Form 8911)	1 s	
t	Enhanced oil recovery credit (Form 8830)	1 t	
u	Mine rescue team training (Form 8923)	1 u	
v	Agricultural chemicals security (carryforward only)	1 v	
w	Employer differential wage payments (Form 8932)	1 w	
x	Carbon oxide sequestration (Form 8933)	1 x	
y	Qualified plug-in electric drive motor vehicle (Form 8936)	1 y	
z	Qualified plug-in electric vehicle (carryforward only)	1 z	
aa	Employee retention (Form 5884-A)	1 aa	
bb	General credits from an electing large partnership (carryforward only)	1 bb	
zz	Other. Oil and gas production from marginal wells (Form 8904) and certain other credits (see instrs)	1 zz	
2	Add lines 1a through 1zz and enter here and on the applicable line of Part I	2	
3	Enter the amount from Form 8844 here and on the applicable line of Part II	3	
4 a	Investment (Form 3468, Part III) (attach Form 3468)	4 a	
b	Work opportunity (Form 5884)	4 b	
c	Biofuel producer (Form 6478)	4 c	
d	Low-income housing (Form 8586, Part II)	4 d	
e	Renewable electricity, refined coal, and Indian coal production (Form 8835)	4 e	
f	Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4 f	
g	Qualified railroad track maintenance (Form 8900)	4 g	
h	Small employer health insurance premiums (Form 8941)	4 h	
i	Increasing research activities (Form 6765)	4 i	109,738.
j	Employer credit for paid family and medical leave (Form 8994)	4 j	
z	Other	4 z	
5	Add lines 4a through 4z and enter here and on the applicable line of Part II	5	109,738.
6	Add lines 2, 3, and 5 and enter here and on the applicable line of Part II	6	109,738.

Name(s) shown on return

Identifying number

AIWA CORPORATION

27-5427721

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. See instructions.

- A** ☐ General Business Credit From a Non-Passive Activity **E** ☐ Reserved
- B** ☐ General Business Credit From a Passive Activity **F** ☐ Reserved
- C** ☒ General Business Credit Carryforwards **G** ☐ Eligible Small Business Credit Carryforwards
- D** ☐ General Business Credit Carrybacks **H** ☐ Reserved

I If you are filing more than one Part III with box A or B checked, complete and attach first an additional Part III combining amounts from all Parts III with box A or B checked. Check here if this is the consolidated Part III. ☐

(a) Description of credit		(b) If claiming the credit from a pass-through entity, enter the EIN	(c) Enter the appropriate amount
Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.			
1 a	Investment (Form 3468, Part II only) (attach Form 3468)	1 a	
b	Reserved	1 b	
c	Increasing research activities (Form 6765)	1 c	
d	Low-income housing (Form 8586, Part I only)	1 d	
e	Disabled access (Form 8826) (see instructions for limitation)	1 e	
f	Renewable electricity, refined coal, and Indian coal production (Form 8835)	1 f	
g	Indian employment (Form 8845)	1 g	
h	Orphan drug (Form 8820)	1 h	
i	New markets (Form 8874)	1 i	
j	Small employer pension plan startup costs (Form 8881) (see instructions for limitation)	1 j	
k	Employer-provided child care facilities and services (Form 8882) (see instructions for limitation)	1 k	
l	Biodiesel and renewable diesel fuels (attach Form 8864)	1 l	
m	Low sulfur diesel fuel production (Form 8896)	1 m	
n	Distilled spirits (Form 8906)	1 n	
o	Nonconventional source fuel (carryforward only)	1 o	
p	Energy efficient home (Form 8908)	1 p	
q	Energy efficient appliance (carryforward only)	1 q	
r	Alternative motor vehicle (Form 8910)	1 r	
s	Alternative fuel vehicle refueling property (Form 8911)	1 s	
t	Enhanced oil recovery credit (Form 8830)	1 t	
u	Mine rescue team training (Form 8923)	1 u	
v	Agricultural chemicals security (carryforward only)	1 v	
w	Employer differential wage payments (Form 8932)	1 w	
x	Carbon oxide sequestration (Form 8933)	1 x	
y	Qualified plug-in electric drive motor vehicle (Form 8936)	1 y	
z	Qualified plug-in electric vehicle (carryforward only)	1 z	
aa	Employee retention (Form 5884-A)	1 aa	
bb	General credits from an electing large partnership (carryforward only)	1 bb	
zz	Other. Oil and gas production from marginal wells (Form 8904) and certain other credits (see instrs)	1 zz	
2	Add lines 1a through 1zz and enter here and on the applicable line of Part I	2	
3	Enter the amount from Form 8844 here and on the applicable line of Part II	3	
4 a	Investment (Form 3468, Part III) (attach Form 3468)	4 a	
b	Work opportunity (Form 5884)	4 b	
c	Biofuel producer (Form 6478)	4 c	
d	Low-income housing (Form 8586, Part II)	4 d	
e	Renewable electricity, refined coal, and Indian coal production (Form 8835)	4 e	
f	Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4 f	
g	Qualified railroad track maintenance (Form 8900)	4 g	
h	Small employer health insurance premiums (Form 8941)	4 h	
i	Increasing research activities (Form 6765)	4 i	130,196.
j	Employer credit for paid family and medical leave (Form 8994)	4 j	
z	Other	4 z	
5	Add lines 4a through 4z and enter here and on the applicable line of Part II	5	130,196.
6	Add lines 2, 3, and 5 and enter here and on the applicable line of Part II	6	130,196.

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to **www.irs.gov/Form4562** for instructions and the latest information.

OMB No. 1545-0172

2019Attachment
Sequence No. **179**

Name(s) shown on return

AIWA CORPORATIONIdentifying number
27-5427721

Business or activity to which this form relates

FORM 1120**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,020,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,550,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2018 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs ...	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	5,000.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2019	17	591.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. <input type="checkbox"/>		

Section B — Assets Placed in Service During 2019 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	5,591.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 08/05/19

Form **4562** (2019)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A — Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No						24b If 'Yes,' is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No			
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions							25		
26 Property used more than 50% in a qualified business use:									
27 Property used 50% or less in a qualified business use:									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29		

Section B — Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (don't include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C — Questions for Employers Who Provide Vehicles for Use by Their EmployeesAnswer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2019 tax year (see instructions):					
LOAN FEES FAIRLINE III	4/01/19	5,730.	461	3	1,433.
LOAN FEES FAIRLINE IV	12/06/19	15,216.	461	3	423.
43 Amortization of costs that began before your 2019 tax year				43	100,270.
44 Total. Add amounts in column (f). See the instructions for where to report				44	102,126.

Form **6765**
(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Credit for Increasing Research Activities

OMB No. 1545-0619

► **Attach to your tax return.**
► **Go to www.irs.gov/Form6765 for instructions and the latest information.**

Attachment Sequence No. **81**

Name(s) shown on return

Identifying number

AIWA CORPORATION

27-5427721

Section A — Regular Credit. Skip this section and go to Section B if you are electing or previously elected (and are not revoking) the alternative simplified credit.

1	Certain amounts paid or incurred to energy consortia (see instructions)	1	
2	Basic research payments to qualified organizations (see instructions)	2	533,786.
3	Qualified organization base period amount	3	
4	Subtract line 3 from line 2. If zero or less, enter -0-	4	533,786.
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	5	24,667.
6	Cost of supplies	6	980.
7	Rental or lease costs of computers (see instructions)	7	
8	Enter the applicable percentage of contract research expenses. See instructions	8	4,160.
9	Total qualified research expenses. Add lines 5 through 8	9	29,807.
10	Enter fixed-base percentage, but not more than 16% (0.16) (see instructions)	10	%
11	Enter average annual gross receipts. See instructions	11	
12	Multiply line 11 by the percentage on line 10	12	
13	Subtract line 12 from line 9. If zero or less, enter -0-	13	29,807.
14	Multiply line 9 by 50% (0.50)	14	14,904.
15	Enter the smaller of line 13 or line 14	15	14,904.
16	Add lines 1, 4, and 15	16	548,690.
17	Are you electing the reduced credit under section 280C? ► Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes," multiply line 16 by 15.8% (0.158). If "No," multiply line 16 by 20% (0.20) and see the instructions for the statement that must be attached. Members of controlled groups or businesses under common control, see instructions for the statement that must be attached	17	109,738.

Section B — Alternative Simplified Credit. Skip this section if you are completing Section A.

18	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)	18	
19	Basic research payments to qualified organizations (see the line 2 instructions)	19	
20	Qualified organization base period amount (see the line 3 instructions)	20	
21	Subtract line 20 from line 19. If zero or less, enter -0-	21	
22	Add lines 18 and 21	22	
23	Multiply line 22 by 20% (0.20)	23	
24	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	24	
25	Cost of supplies	25	
26	Rental or lease costs of computers (see the line 7 instructions)	26	
27	Enter the applicable percentage of contract research expenses. See the line 8 instructions	27	
28	Total qualified research expenses. Add lines 24 through 27	28	
29	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 30 and 31	29	
30	Divide line 29 by 6.0	30	
31	Subtract line 30 from line 28. If zero or less, enter -0-	31	
32	Multiply line 31 by 14% (0.14). If you skipped lines 30 and 31, multiply line 28 by 6% (0.06)	32	
33	Add lines 23 and 32	33	
34	Are you electing the reduced credit under section 280C? ► Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 33 by 79% (0.79). If "No," enter the amount from line 33 and see the line 17 instructions for the statement that must be attached. Members of controlled groups or businesses under common control, see instructions for the statement that must be attached	34	

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form **6765** (Rev. 12-2019)

Form 6765 (Rev. 12-2019) AIWA CORPORATION

27-5427721

Page 2

Section C – Current Year Credit

35	Enter the portion of the credit from Form 8932, line 2, that is attributable to wages that were also used to figure the credit on line 17 or line 34 (whichever applies)	35	
36	Subtract line 35 from line 17 or line 34 (whichever applies). If zero or less, enter-0-	36	109,738.
37	Credit for increasing research activities from partnerships, S corporations, estates, and trusts	37	
38	Add lines 36 and 37 <ul style="list-style-type: none"> • Estates and trusts, go to line 39. • Partnerships and S corporations not electing the payroll tax credit, stop here and report this amount on Schedule K. • Partnerships and S corporations electing the payroll tax credit, complete Section D and report on Schedule K the amount on this line reduced by the amount on line 44. • Eligible small businesses, stop here and report the credit on Form 3800, Part III, line 4i. See instructions for the definition of eligible small business. • Filers other than eligible small businesses, stop here and report the credit on Form 3800, Part III, line 1c. Note: Qualified small business filers, other than partnerships and S corporations, electing the payroll tax credit must complete Form 3800 before completing Section D.	38	109,738.
39	Amount allocated to beneficiaries of the estate or trust (see instructions)	39	
40	Estates and trusts, subtract line 39 from line 38. For eligible small businesses, report the credit on Form 3800, Part III, line 4i. See instructions. For filers other than eligible small businesses, report the credit on Form 3800, Part III, line 1c.	40	

Section D – Qualified Small Business Payroll Tax Election and Payroll Tax Credit. Skip this section if the payroll tax election does not apply. See instructions.

41	Check this box if you are a qualified small business electing the payroll tax credit. See instructions <input type="checkbox"/>		
42	Enter the portion of line 36 elected as a payroll tax credit (do not enter more than \$250,000). See instructions.	42	
43	General business credit carryforward from the current year (see instructions). Partnerships and S corporations, skip this line and go to line 44.	43	
44	Partnerships and S corporations, enter the smaller of line 36 or line 42. All others, enter the smallest of line 36, line 42, or line 43. Enter here and on the applicable line of Form 8974, Part 1, column (e). Members of controlled groups or businesses under common control, see instructions for the statement that must be attached	44	

BAA

Form 6765 (Rev. 12-2019)

2019

FEDERAL STATEMENTS

PAGE 1

AIWA CORPORATION

27-5427721

STATEMENT 1
FORM 1120, LINE 10
OTHER INCOME

EXCHANGE GAIN.....	\$	2,835.
OTHER INCOME.....		1,264.
TOTAL	\$	<u>4,099.</u>

STATEMENT 2
FORM 1120, LINE 17
TAXES AND LICENSES

LICENSES AND PERMITS.....	\$	21,154.
PAYROLL TAXES.....		29,800.
STATE TAX.....		3,324.
VAT.....		13,673.
TOTAL	\$	<u>67,951.</u>

STATEMENT 3
FORM 1120, LINE 26
OTHER DEDUCTIONS

AMORTIZATION.....	\$	102,126.
BANK CHARGES.....		8,338.
INSURANCE.....		7,551.
LEGAL AND PROFESSIONAL.....		578,417.
MEALS.....		932.
MERCHANT ACCOUNT FEES.....		16,219.
OFFICE EXPENSE.....		5,010.
OUTSIDE SERVICES.....		57,962.
PARKING AND TOLLS.....		506.
PAYROLL PROCESSING FEES.....		1,151.
POSTAGE.....		532.
RESEARCH & DEVELOPMENT.....		102,266.
RESEARCH & DEVELOPMENT CREDIT.....		-109,738.
SUBSCRIPTIONS.....		25,485.
SUPPLIES.....		3,236.
TELEPHONE.....		3,436.
TRAVEL.....		12,391.
UNIFORMS.....		1,950.
TOTAL	\$	<u>817,770.</u>

STATEMENT 4
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END	12/31/11	\$	174,772.
AMOUNT UTILIZED IN 2016			17,428.
TOTAL UTILIZATION		\$	<u>17,428.</u>

2019

FEDERAL STATEMENTS

PAGE 2

AIWA CORPORATION

27-5427721

STATEMENT 4 (CONTINUED)
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

AVAILABLE FOR CARRYOVER TO 2019.....	157,344.
CARRYOVER GENERATED FROM YEAR END 12/31/12 \$ 238,115.	
AVAILABLE FOR CARRYOVER TO 2019.....	238,115.
CARRYOVER GENERATED FROM YEAR END 12/31/13 \$ 626,417.	
AVAILABLE FOR CARRYOVER TO 2019.....	626,417.
CARRYOVER GENERATED FROM YEAR END 12/31/14 \$ 733,793.	
AVAILABLE FOR CARRYOVER TO 2019.....	733,793.
CARRYOVER GENERATED FROM YEAR END 12/31/15 \$ 85,962.	
AVAILABLE FOR CARRYOVER TO 2019.....	85,962.
CARRYOVER GENERATED FROM YEAR END 12/31/17 \$ 1,283,059.	
AVAILABLE FOR CARRYOVER TO 2019.....	1,283,059.
CARRYOVER GENERATED FROM YEAR END 12/31/18 \$ 945,696.	
AVAILABLE FOR CARRYOVER TO 2019.....	945,696.
NET OPERATING LOSSES AVAILABLE IN 2019.....	\$ 4,070,386.
TAXABLE INCOME.....	-1,021,386.
TOTAL NET OPERATING LOSS DEDUCTION.....	<u>0.</u>

STATEMENT 5
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	BEGINNING	ENDING
PREPAID EXPENSES.....	\$ 8,849.	\$ 3,831.
TOTAL	<u>\$ 8,849.</u>	<u>\$ 3,831.</u>

2019

FEDERAL STATEMENTS

PAGE 3

AIWA CORPORATION

27-5427721

STATEMENT 6
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
SECURITY DEPOSITS.....	\$ 4,350.	\$ 0.
TOTAL	<u>\$ 4,350.</u>	<u>\$ 0.</u>

STATEMENT 7
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
ACCRUED EXPENSES.....	\$ 0.	\$ 2,365.
ACCRUED INTEREST PAYABLE.....	48,306.	0.
AGENCY PAYABLE.....	0.	302.
CREDIT CARD PAYABLE.....	19,475.	20,852.
CUSTOMER DEPOSITS.....	0.	72,883.
DEFERRED EXECUTIVE COMP.....	196,519.	0.
DEFERRED REVENUE.....	0.	25.
SHORT TERM BORROWINGS.....	0.	270,000.
TAXES PAYABLE.....	3,134.	0.
TOTAL	<u>\$ 267,434.</u>	<u>\$ 366,427.</u>

STATEMENT 8
FORM 1120, SCHEDULE M-1, LINE 5
BOOK EXPENSES NOT DEDUCTED

R&D CREDIT.....	\$ 109,738.
TOTAL	<u>\$ 109,738.</u>

STATEMENT 9
FORM 1125-A, LINE 5
OTHER COST OF GOODS SOLD

COMMISSIONS AND FEES.....	\$ 528,430.
CUSTOMS AND DUTIES.....	76,386.
REBATES.....	11,705.
RETURNED GOODS.....	371,675.
SHIPPING AND FREIGHT.....	250,182.
TOTAL	<u>\$ 1,238,378.</u>

2019

GENERAL ELECTIONS

PAGE 1

AIWA CORPORATION

27-5427721

SECTION 1.263(A)-1(F) DE MINIMIS SAFE HARBOR ELECTION

THE CORPORATION HEREBY MAKES THE DE MINIMIS SAFE HARBOR ELECTION UNDER REGULATION 1.263 (A) -1 (F) .

AIWA CORPORATION
965 W CHICAGO AVENUE
CHICAGO, IL 60642
27-5427721

SECTION 1.263(A)-3(H) SAFE HARBOR ELECTION FOR SMALL TAXPAYERS

THE CORPORATION HEREBY MAKES THE SAFE HARBOR ELECTION FOR SMALL TAXPAYERS UNDER REGULATION 1.263 (A) -3 (H) .

DESCRIPTION OF ELIGIBLE PROPERTY:
COMMERICAL PROPERTY

AIWA CORPORATION
965 W CHICAGO AVENUE
CHICAGO, IL 60642
27-5427721

2019

FEDERAL WORKSHEETS

PAGE 1

AIWA CORPORATION

27-5427721

COMPUTATION OF ENDING DEPRECIABLE ASSETS

1. BEGINNING DEPRECIABLE ASSETS	171,990.
2. DEPRECIABLE ASSETS PLACED IN SERVICE IN CURRENT YEAR	5,000.
3. DEPRECIABLE ASSETS SOLD DURING THE CURRENT YEAR	0.
ENDING BUILDINGS AND OTHER DEPRECIABLE ASSETS	<u>176,990.</u>

COMPUTATION OF ENDING ACCUMULATED DEPRECIATION

1. BEGINNING BALANCE OF ACCUMULATED DEPRECIATION	170,808.
2. CURRENT YEAR BOOK DEPRECIATION	5,591.
3. ACCUMULATED DEPRECIATION ON ASSETS SOLD THIS YEAR	0.
ENDING ACCUMULATED DEPRECIATION	<u>176,399.</u>

COMPUTATION OF ENDING INTANGIBLE ASSETS

1. BEGINNING INTANGIBLE ASSETS	1,312,410.
2. INTANGIBLE ASSETS PLACED IN SERVICE IN CURRENT YEAR	20,946.
3. INTANGIBLE ASSETS SOLD DURING THE CURRENT YEAR	0.
ENDING INTANGIBLE ASSETS	<u>1,333,356.</u>

COMPUTATION OF ENDING ACCUMULATED AMORTIZATION

1. BEGINNING BALANCE OF ACCUMULATED AMORTIZATION	75,366.
2. CURRENT YEAR BOOK AMORTIZATION	102,126.
3. ACCUMULATED AMORTIZATION ON ASSETS SOLD THIS YEAR	0.
ENDING ACCUMULATED AMORTIZATION	<u>177,492.</u>

COMPUTATION OF NET INCOME (LOSS) PER BOOKS
FORM 1120, SCHEDULE M-1, LINE 1

INCOME (LOSS) PER RETURN (PAGE 1, LINE 28)	-1,021,386.
INCREASES:	
DEDUCTIONS ON RETURN NOT RECORDED ON BOOKS (SCH. M-1, LINE 8)	0.
INCOME RECORDED ON BOOKS NOT INCLUDED ON RETURN (SCH. M-1, LINE 7)	0.
DECREASES:	
EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN (SCH. M-1, LINE 5)	-110,670.
INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS (SCH. M-1, LINE 4)	0.
EXCESS OF CAPITAL LOSSES OVER CAPITAL GAINS (SCH. M-1, LINE 3)	0.
FEDERAL INCOME TAX PER BOOKS (SCH. M-1, LINE 2)	0.
COMPUTED NET INCOME (LOSS) PER BOOKS (SCH. M-1, LINE 1)	<u>-1,132,056.</u>

2019

FEDERAL WORKSHEETS

PAGE 2

AIWA CORPORATION

27-5427721

COMPUTATION OF 2019 NET OPERATING LOSS

1. TOTAL INCOME	878,511.
2. TOTAL DEDUCTIONS	1,899,897.
3. TAXABLE INCOME (LINE 1 LESS LINE 2)	-1,021,386.
4. SPECIAL DEDUCTIONS UNLIMITED	0.
5. 2019 NET OPERATING LOSS (LINE 3 MINUS LINE 4)	<u>1,021,386.</u>

2019

FEDERAL SUPPLEMENTAL INFORMATION

PAGE 1

AIWA CORPORATION

27-5427721

ATTACHMENT TO SCHEDULE 6765
RESEARCH AND DEVELOPMENT CREDIT

3,746	INTERNET HOSTING
880	PATENT FEES
129	R&D SHIPPING
24,667	WAGES FOR QUALIFIED SERVICES
980	PROTOTYPES
4,665	R&D PROFESSIONAL SERVICES
1,735	SOFTWARE PROFESSIONAL SERVICES
35,977	CERTIFICATION EXPENSES
493,054	TRADEMARKS/PATENTS

565,833	TOTAL R&D EXPENSES
109,738 -	LESS R&D CREDIT FORM 6765

456,095	ADJUSTED R&D EXPENSES

2019

ILLINOIS FILING INSTRUCTIONS

AIWA CORPORATION

27-5427721

ELECTRONICALLY FILED:

FORM IL-1120 - 2019 ILLINOIS CORPORATION INCOME AND REPLACEMENT TAX
RETURN WILL BE ELECTRONICALLY FILED WITH THE STATE OF ILLINOIS.

PAYMENT:

NO PAYMENT IS REQUIRED.



AIWA CORPORATION

Step 2: Figure your income or loss

(Whole dollars only)

1	Federal taxable income from U.S. Form 1120, Line 30.		27-5427721
	Attach a copy of your federal return.	1	-1,021,386.00
2	Net operating loss deduction from U.S. Form 1120, Line 29a. This amount cannot be negative.	2	00
3	State, municipal, and other interest income excluded from Line 1.	3	00
4	Illinois income and replacement tax and surcharge deducted in arriving at Line 1.	4	1,595.00
5	Illinois Special Depreciation addition. Attach Form IL-4562.	5	00
6	Related-Party Expenses additions. Attach Schedule 80/20.	6	00
7	Distributive share of additions. Attach Schedule(s) K-1-P or K-1-T.	7	00
8	Other additions. Attach Schedule M (for businesses).	8	00
9	Add Lines 1 through 8. This amount is your income or loss.	9	-1,019,791.00

Step 3: Figure your base income or loss

10	Interest income from U.S. Treasury and other exempt federal obligations.	10	00
11	River Edge Redevelopment Zone Dividend subtraction. Attach Schedule 1299-B.	11	00
12	River Edge Redevelopment Zone Interest subtraction. Attach Schedule 1299-B.	12	00
13	High Impact Business Dividend subtraction. Attach Schedule 1299-B.	13	00
14	High Impact Business Interest subtraction. Attach Schedule 1299-B.	14	00
15	Contribution subtraction. Attach Schedule 1299-B.	15	00
16	Contributions to certain job training projects. See instructions.	16	00
17	Foreign Dividend subtraction. Attach Schedule J. See instructions.	17	00
18	Illinois Special Depreciation subtraction. Attach Form IL-4562.	18	1,297.00
19	Related-Party Expenses subtraction. Attach Schedule 80/20.	19	00
20	Distributive share of subtractions. Attach Schedule(s) K-1-P or K-1-T.	20	00
21	Other subtractions. Attach Schedule M (for businesses).	21	00
22	Total subtractions. Add Lines 10 through 21.	22	1,297.00
23	Base income or loss. Subtract Line 22 from Line 9.	23	-1,021,088.00



A If the amount on Line 23 is derived inside Illinois only, check this box and enter the amount from Step 3, Line 23 on Step 5, Line 35. You may not complete Step 4. (You must leave Step 4, Lines 24 through 34 blank.)
Note → If you are a unitary filer, do not check this box. Check the box on Line B and complete Step 4.



B If any portion of the amount on Line 23 is derived outside Illinois, or you are a unitary filer, check this box and complete all lines of Step 4. (Do not leave Lines 28 through 30 blank.) See instructions.

**Step 4: Figure your income allocable to Illinois** (Complete only if you checked the box on Line B, above.)

24	Nonbusiness income or loss. Attach Schedule NB.	24	00
25	Business income or loss included in Line 23 from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	25	00
26	Add Lines 24 and 25.	26	00
27	Business income or loss. Subtract Line 26 from Line 23.	27	00
28	Total sales everywhere. This amount cannot be negative.	28	
29	Total sales inside Illinois. This amount cannot be negative.	29	
30	Apportionment Factor. Divide Line 29 by Line 28. Round to six decimal places.	30	
31	Business income or loss apportionable to Illinois. Multiply Line 27 by Line 30.	31	00
32	Nonbusiness income or loss allocable to Illinois. Attach Schedule NB.	32	00
33	Business income or loss apportionable to Illinois from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	33	00
34	Base income or loss allocable to Illinois. Add Lines 31 through 33.	34	00

AIWA CORPORATION

27-5427721

Step 5: Figure your net income

35	Base income or net loss from Step 3, Line 23, or Step 4, Line 34.	35	-1,021,088.00
36	Discharge of indebtedness adjustment. Attach federal Form 982. See instructions.	36	00
37	Adjusted base income or net loss. Add Lines 35 and 36. See instructions.	37	-1,021,088.00
38	Illinois net loss deduction. Attach Schedule NLD or UB/NLD. If Line 37 is zero or a negative amount, enter zero.	38	0.00
39	Net income. Subtract Line 38 from Line 37.	39	-1,021,088.00

Step 6: Figure your replacement tax after credits

40	Replacement tax. Multiply Line 39 by 2.5% (.025).	40	0.00
41	Recapture of investment credits. Attach Schedule 4255.	41	00
42	Replacement tax before credits. Add Lines 40 and 41.	42	0.00
43	Investment credits. Attach Form IL-477.	43	00
44	Replacement tax after credits. Subtract Line 43 from Line 42. If the amount is negative, enter zero.	44	0.00

Step 7: Figure your income tax after credits

45	Income tax. Multiply Line 39 by 7.00% (.07)	45	0.00
46	Recapture of investment credits. Attach Schedule 4255.	46	00
47	Income tax before credits. Add Lines 45 and 46.	47	0.00
48	Income tax credits. Attach Schedule 1299-D.	48	00
49	Income tax after credits. Subtract Line 48 from Line 47. If the amount is negative, enter zero.	49	0.00

Step 8: Figure your refund or balance due

50	Replacement tax before reductions. Enter the amount from Line 44.	50	0.00
51	Foreign Insurer replacement tax reduction. Attach Schedule INS or UB/INS. See instructions.	51	0.00
52	Subtract Line 51 from Line 50. This is your net replacement tax.	52	0.00
53	Income tax before reductions. Enter the amount from Line 49.	53	0.00
54	Foreign Insurer income tax reduction. Attach Schedule INS or UB/INS. See instructions.	54	0.00
55	Subtract Line 54 from Line 53. This is your net income tax.	55	0.00
56	Compassionate Use of Medical Cannabis Program Act surcharge. See instructions.	56	0.00
57	Sale of assets by gaming licensee surcharge. See instructions.	57	0.00
58	Total net income and replacement taxes and surcharges. Add Lines 52, 55, 56, and 57.	58	0.00
59	Underpayment of estimated tax penalty from Form IL-2220. See instructions.	59	00
60	Total taxes, surcharges, and penalty. Add Lines 58 and 59.	60	00
61	Payments. See instructions.		
	a Credits from previous overpayments.	61 a	00
	b Total payments made before the date this return is filed.	61 b	00
	c Pass-through withholding reported to you on Schedule(s) K-1-P or K-1-T. Attach Schedule(s) K-1-P or K-1-T.	61 c	00
	d Illinois gambling withholding. Attach Form(s) W-2G.	61 d	00
62	Total payments. Add Lines 61a through 61d.	62	0.00
63	Overpayment. If Line 62 is greater than Line 60, subtract Line 60 from Line 62.	63	00
64	Amount to be credited forward. See instructions.	64	0.00
65	Refund. Subtract Line 64 from Line 63. This is the amount to be refunded.	65	00

66 Complete to direct deposit your refund.

Routing Number _____ ☐ Checking or ☐ Savings
 Account Number _____

67 Tax due. If Line 60 is greater than Line 62, subtract Line 62 from Line 60. This is the amount you owe. 67 0.00

Step 9: Sign below - Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

Sign Here	Signature of authorized officer		Date (mm/dd/yyyy)		Title		Phone		<input checked="" type="checkbox"/> Check if the Department may discuss this return with the paid preparer shown in this step.
	RON J. SKALBERG, CPA		9/07/2020		PRESIDENT		(214) 205-5200		
Paid Preparer Use Only	Print/Type paid preparer's name		Paid preparer's signature		Date (mm/dd/yyyy)		<input type="checkbox"/> Check if self-employed		P00851385
	Firm's name		Firm's FEIN		Firm's address		Firm's phone		
	BEAIRD HARRIS & CO. P.C.		75-2175951		12221 MERIT DR STE 750		(972) 503-1040		
		DALLAS, TX 75251-3201							

▶ Enter the amount of your payment on the top of page 1 in the space provided.



Illinois Department of Revenue

2019 IL-4562 Special Depreciation

For tax years ending on or after December 31, 2019.

Attach to your Form IL-1120, IL-1120-ST, IL-1065, IL-1041, or IL-1040.

Year ending

12 2019
Month Year

IL Attachment No. 11

Step 1: Provide the following information

AIWA CORPORATION

Enter your name as shown on your return.

27-5427721

Enter your Social Security number (SSN) or federal employer identification number (FEIN).

Special Note → You must read the instructions before completing Form IL-4562. Do not use negative figures.**Step 2: Figure your Illinois special depreciation addition**

- | | | | |
|---|--|---|--|
| 1 | Enter the total amount claimed as a special depreciation allowance on federal Form 4562, Depreciation and Amortization, Line 14 or Line 25, for property acquired after September 10, 2001. | 1 | |
| 2 | Individuals only: Enter the total amount claimed as a special depreciation allowance from federal Form 2106, Employee Business Expenses. | 2 | |
| 3 | Last year of regular depreciation: Enter the total amount of all Illinois depreciation subtractions claimed on prior year IL-4562 forms, Step 3, Line 8, for each property. | 3 | |
| 4 | Add Lines 1 through 3. This is your Illinois special depreciation addition. Enter the total here and see instructions for the list of Illinois form and line references to report this addition. | 4 | |

Step 3: Figure your Illinois special depreciation subtraction

- | | | | |
|-----|--|-----|--------|
| 5 a | Enter the portion of depreciation allowance claimed on federal Form 4562, Line 17, plus Line 19, Column g, plus Line 26, Column h, for property for which you claimed a special depreciation allowance on federal Form 4562, Line 14 or 25, for this tax year, or any other tax year ending after September 10, 2001, for bonus depreciation equal to 30 percent of your basis in the property. | 5 a | |
| b | Individuals only: If you completed a federal Form 2106 for this tax year, enter the portion of any depreciation deductions included in Lines 4 and 38 for this tax year or any prior tax year for bonus depreciation equal to 30 percent of your basis in the property. | 5 b | |
| c | Add Lines 5a and 5b. | 5 c | |
| 6 | Multiply Line 5c by 42.9% (0.429). | 6 | |
| 7 a | Enter the portion of depreciation allowance claimed on federal Form 4562, Line 17, plus Line 19, Column g, plus Line 26, Column h, for property for which you claimed a special depreciation allowance on federal Form 4562, Line 14 or 25, for this tax year, or any other tax year ending after September 10, 2001, for bonus depreciation equal to 50 percent of your basis in the property. | 7 a | 547. |
| b | Individuals only: If you completed a federal Form 2106 for this tax year, enter the portion of any depreciation deductions included in Lines 4 and 38 for this tax year or any prior tax year for bonus depreciation equal to 50 percent of your basis in the property. | 7 b | |
| c | Add Lines 7a and 7b. | 7 c | 547. |
| 8 | Add Lines 6 and 7c. | 8 | 547. |
| 9 | Last year of regular depreciation: Enter the Illinois special depreciation addition reported on any prior year Form IL-4562, Step 2, Line 1 plus Line 2, for each property. See instructions. | 9 | 750. |
| 10 | Add Lines 8 and 9. This is your Illinois depreciation subtraction for this year. Enter the total here and see instructions for the list of Illinois form and line references to report this subtraction. | 10 | 1,297. |

→ **Attach this form to your Illinois return.** ←

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty.

2019

ILLINOIS

PAGE 1

CLIENT HDEVICES

ELECTRONIC FILING JURAT/DEBIT AUTHORIZATION

27-5427721

X BY CHECKING THE BOX, I AGREE THAT I HAVE EXAMINED THE RETURN, AND
TO THE BEST OF MY KNOWLEDGE IT IS TRUE, CORRECT, AND COMPLETE.

— THE SPECIFIED AUTHORIZED OFFICER IS AUTHORIZING IDOR AND RELATED
FINANCIAL INSTITUTIONS TO TRANSACT ANY DEBIT PAYMENT INFORMATION
INCLUDED IN THE TRANSMISSION. IN ADDITION, THE AUTHORIZED OFFICER
ALSO CONSENTS TO ALLOWING DEPARTMENT PERSONNEL TO DISCUSS ANY
PROBLEMS TRANSACTING THE DEBIT WITH THE ERO, TRANSMITTER, OR
FINANCIAL INSTITUTION.

2019

IL-4562 WORKSHEET

PAGE 1

AIWA CORPORATION

27-5427721

IL-4562
CURRENT YEAR ADJUSTMENTS

ASSET NO.	ASSET DESC.	DATE IN SERVICE	LINE 5A	LINE 5B	LINE 7A	LINE 7B
			CY FED REQ DEPR	CY FED REG DEPR	CY FED REG DEPR	CY FED REG DEPR
			NON-2106	2106	NON-2106	2106
			30% SDA ASSETS	30% SDA ASSETS	50% SDA ASSETS	50% SDA ASSETS
6	TOOLING	11/30/15	0.	0.	230.	0.
7	TOOLING	6/01/16	0.	0.	317.	0.
			<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 547.</u>	<u>\$ 0.</u>

2019

IL-4562 WORKSHEET

PAGE 2

AIWA CORPORATION

27-5427721

IL-4562
LAST YEAR ADJUSTMENTS

ASSET NO.	ASSET DESC.	DATE IN SERVICE	DATE SOLD	LINE 3 PRIOR YEAR SUBS	LINE 9 PRIOR YEAR SDA ADDITION
				\$ 0.	\$ 750.

Fill in this information to identify the case:

Debtor name **Aiwa Corporation, a Delaware Corporation**

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **June 22, 2021**

X

Signature of individual signing on behalf of debtor

Joseph J. Born

Printed name

Chief Executive Officer

Position or relationship to debtor